

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

AM GENERAL LLC,

Plaintiff,

- against -

ACTIVISION BLIZZARD, INC.,
ACTIVISION PUBLISHING, INC., and
MAJOR LEAGUE GAMING CORP.,

Defendants.

Case No. 17-cv-08644-GBD

ORAL ARGUMENT REQUESTED

**PLAINTIFF AM GENERAL LLC'S
MEMORANDUM OF LAW IN OPPOSITION TO
DEFENDANTS' MOTION FOR SUMMARY JUDGMENT**

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INTRODUCTION

Activision asks the Court to grant summary judgment based on an out-of-circuit legal standard that conflicts with Second Circuit law and a one-sided view of only some of the evidence. In this circuit, Activision must establish that no evidence would support a “particularly compelling” showing of a likelihood of confusion as to the association between the defendant’s work and the plaintiff’s, based on the eight *Polaroid* confusion factors. When all of the evidence is examined here, Activision has not come close to meeting its burden to excuse its infringement of AM General’s HUMVEE® property in the *Call of Duty* games, toys, advertising, and live events. Only a jury can resolve the fact questions Activision has raised.

Given that Activision is wrong on the facts and wrong on the law, it pounds on the table. It says this case is an “attack on the First Amendment.” Br. 1. It is not. The First Amendment is critically important. But it is not a blanket defense to the theft of intellectual property. It has its limits. Activision has made billions of dollars by blowing through those limits—intentionally and unrepentantly. If any law is under attack here, it is the Lanham Act, which, by its nature, restricts the use of words and designs. In Activision’s world, the Lanham Act provides no protection against its use of AM General’s trade dress in the *Call of Duty* video games because Activision never explicitly said: “This game is brought to you by HUMVEE®.” In Activision’s world, the Lanham Act does not require it to obtain permission to use AM General’s trademarks and trade dress in commercial advertising of Activision’s products or to sell toy HUMVEE® replicas. As explained below, each of Activision’s positions is contrary to Second Circuit law.

The First Amendment is not a “bar” to Plaintiff’s claims. Although some circuits, such as the Ninth, carve out an expansive First Amendment defense to unauthorized uses by entertainment industry defendants, this lawsuit is not pending in one of them. This case is governed by the Second Circuit’s test established in *Twin Peaks Prods., Inc. v. Publ’ns Int’l*,

Ltd., 996 F.2d 1366, 1379 (2d Cir. 1993). Unlike in some other circuits, the same eight factors that comprise the *Polaroid* test for likelihood of confusion that apply in every Lanham Act case also apply when analyzing expressive works. The only difference is that the likelihood of confusion showing needs to be “particularly compelling.” To prevail at this stage, Activision must establish the absence of any disputed issues of fact on that question. It has not and cannot.

The evidence on the likelihood of confusion factors favors Plaintiff or is disputed.

Likelihood of confusion turns on the eight factors articulated in *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 495 (2d Cir. 1961). Activision’s showing does not tip even one of them in its favor. The evidence on two—the similarity of the parties’ marks and Activision’s willful intent—is so lopsided against Activision that no reasonable jury could find in Activision’s favor. That dooms its motion. On others, the evidence is disputed, also barring summary judgment. To avoid that, Activision takes liberties in characterizing the evidence. For example, it says that there is no evidence of actual confusion. Br. 2. But there is. An expert survey found that 16% of consumers watched gameplay of the *Call of Duty* Games were confused as to the association, sponsorship, or approval between Activision and AM General—a degree of confusion that the expert found “substantial.” See AM General’s Counter-Statement of Facts (“CSUF”) ¶ 80; Response to Activision’s Statement of Undisputed Facts (“RSUF”) ¶ 77.

With no valid legal position, Activision seeks refuge in a false appeal to patriotism. It sees it as “egregious” (*see* Br. 1) that a government contractor could protect its rights in a design it created and built into a global brand. Although the U.S. government denies itself the right to own trademarks, it allows its contractors to do so, and issued that contractor registrations for the vehicle’s trademarks and trade dress, which AM General has the right to enforce here. As shown below, Activision’s remaining arguments are based on ignoring inconvenient facts and the wrong law. Activision has not come close to meeting its summary judgment burden.

FACTUAL BACKGROUND

A. AM General's HUMVEE® Intellectual Property

Activision does not dispute that, since the introduction of the HUMVEE® vehicle in the 1980s as the U.S. military's primary light tactical vehicle, it has achieved "iconic" status. Br. 13. *See also* CSUF ¶¶ 2-3, 6-29. The exterior appearance is "instantly recognizable" as the HUMVEE® vehicle. *Id.* ¶¶ 7, 11, 13-16, 69.¹ Here are examples of the HUMVEE® vehicle bearing elements of the HUMVEE® Trade Dress:



Activision also admits that images of the HUMVEE® vehicle have appeared in print, television, and other media. Br. 7; CSUF ¶ 12-16, 28. This unsolicited "free advertising" has been enhanced by AM General's [REDACTED]

[REDACTED] The brand is known across America, having been etched in the nation's consciousness through its service around the world. And it has been a life-saving refuge for tens of thousands of American soldiers. Br. 6-7; CSUF ¶ 24.

B. Activision Made Extensive, Unauthorized Use of the HUMVEE® IP

Activision is a video game publisher. It markets its war-themed *Call of Duty* video games especially to young men interested in a simulated combat experience. Activision's

¹ The HUMVEE® Trade Dress includes 11 elements, such as the seven-oval grille and the "X-design" on the doors. *See* CSUF ¶ 9. Together with wordmarks HUMVEE® and HMMWV®, AM General has used to market the vehicle, they are the "HUMVEE® IP." *Id.* ¶ 8, 10.

strategy has been to leverage the goodwill in the familiar trade dress of the HUMVEE® vehicle to associate its video games with the HUMVEE® brand—both as a driving element in nine *Call of Duty* video games sold for the PlayStation, Xbox, Nintendo, and mobile phone platforms, and as a focal point in the advertising, live events, and merchandising for those games. Activision’s free-riding strategy has made *Call of Duty* the best-selling video game franchise ever. RSUF ¶ 2.

Activision’s use of the HUMVEE® IP spans nine games, 24 promotional trailers, four guidebooks, numerous tournaments, and two toys. *Id.* ¶ 43, 88, 105-12, 122, 129-135. Its enrichment from the HUMVEE® IP has been immense. The games are tools of commerce, and feature a virtual store to enable further purchases to enhance game play. Activision has reaped over [REDACTED]

Given the considerable brand equity of the HUMVEE® vehicle, it has been the only recognizable military vehicle to be featured in all *Call of Duty* games set in the present day. *Id.* ¶ 48. It is one of few recognizable brands or vehicles in the games, as Activision [REDACTED]

[REDACTED] Survey evidence confirms that: (1) Activision was able to cause consumers to mistakenly believe the HUMVEE® brand was associated with *Call of Duty*; and (2) buyers were substantially more likely to buy the game if shown ads with the HUMVEE® vehicle in them. *Id.* ¶¶ 80, 94. The HUMVEE® vehicle was so important that Activision’s president [REDACTED] [REDACTED] would have been sufficient to keep the HUMVEE® vehicle out of even one of the games. *Id.* ¶¶ 81-85.

Activision’s unauthorized use of the HUMVEE® IP falls into three categories:

HUMVEE® IP in the Games. To downplay the extent of its use of the HUMVEE® vehicles, Activision characterizes them as “incidental,” “generic,” “easily overlooked or obscured,” not “allow[ing] for meaningful interaction,” and as “stationary props.” Br. 19.

Activision also says the vehicle is in “just a few discrete scenes, in a few game levels, for just seconds” in the single player campaign mode, *id.* 9, and that it appears for “less than ten minutes out of more than 35 hours of gameplay.” *Id.* 2. That latter claim may be true, if one were attempting simply to [REDACTED]

Plaintiff disputes all of Activision’s assertions. Activision used the HUMVEE® IP 228 times across the games. CSUF ¶ 43. The vehicle’s presence is unavoidable and pervasive. *Id.* ¶¶ 43-51; RSUF ¶¶ 57-58, 60-62. The vehicles are not “stationary props;” they are highly and meaningfully interactive, allowing players to manipulate their appearance, destroy them, set them on fire, get inside of them, ride them, and use them as weapons to achieve goals. *Id.* The vehicles are not “incidental” or “easily overlooked”; they appear repeatedly at the forefront of key scenes and at many times, substantial interaction with the vehicle is *required* to advance to the next level. *Id.* Nor are they “generic.” The vehicles are portrayed as realistically as technology allows. CSUF ¶ 56-72.

HUMVEE® IP in Marketing and Live Events. Activision states that HUMVEE® IP does not appear in its *print* advertising. Br. 20. But trailers are Activision’s key mode of advertising and Activision admits that it used the HUMVEE® IP in at least **24** trailers that it broadcast on television and over the Internet. *See* Br. 21-22; CSUF ¶¶ 88-98. Activision claims the vehicles are “barely visible” in “most of the trailers.” Br. 22. That is also disputed. In the all-critical “launch” trailer for *Modern Warfare 2*, for example, the HUMVEE® vehicle is the first thing audiences see, and they see it again throughout. RSUF ¶¶ 68-70. The HUMVEE® vehicle is the only readily identifiable military vehicle in the marketing. Kitchen Decl. Ex. A ¶ 126. Activision does not even address its use of the HUMVEE® IP at live events, CSUF. ¶¶

99-104, which encouraged consumers to associate the HUMVEE® brand with Activision's products. *Id.*

HUMVEE® IP in Promotional Merchandise. To further cement *Call of Duty's* association with the HUMVEE® brand, Activision [REDACTED]

[REDACTED]

C. Activision Intended Consumers to Associate *Call of Duty* With the HUMVEE® Brand

In 1998, Activision planned to use HUMVEE® vehicles in a game titled *Sin*. *Id.* ¶¶ 53-57. When AM General complained, Activision acknowledged that the HUMVEE® Trade Dress was valuable and took the HUMVEE® vehicles out of the game. *See id.* Activision thus knew before developing *Call of Duty* that it shouldn't use the HUMVEE® IP without AM General's consent. *See id.* Despite those assurances, Activision did it anyway.

Activision's use of the HUMVEE® vehicle in nine *Call of Duty* Games, dozens of ads, toys, events, and strategy guides was the result of a conscious effort. Activision hired a [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Activision knew that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



Activision repeatedly [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

To further associate its *Call of Duty* Games with HUMVEE® vehicles, Activision arranged for real HUMVEE® vehicles to appear at promotional events, which Activision admitted, [REDACTED] Activision used these events in its social media, posting photos of HUMVEE® vehicles branded with a *Call of Duty* logo (*Id.* ¶ 99, Ex. 129):



A reasonable jury could conclude that this is the visual equivalent of saying “This game is sponsored by the maker of the HUMVEE®.”

Activision also participated in organizing contests in which the winner would receive a civilian version of the HUMVEE® vehicle. *See id.* ¶¶ 22-23, 103-104. As Activision’s Chief

Marketing Officer stated, “giving away Humvees” was intended “to broaden the understanding of the game” and to attract more customers. *Id.* ¶ 104.

At no point did Activision attempt to dispel confusion as to the association between the HUMVEE® brand and Activision and *Call of Duty*. To the contrary, Activision made repeated use of the HUMVEE® and HMMWV® trademarks within the games to refer to the vehicle by name. *Id.* ¶¶ 49-50. Moreover, the user guides for many games state that Activision either owns or has licensed all trade dress seen in the games, neither of which is true. *Id.* ¶ 73.

Despite the importance of the HUMVEE® IP to its games, Activision decided early on that [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Activision [REDACTED]

[REDACTED]

[REDACTED] In its SEC Filings, Activision disclosed the “risk” that “many of [its] products” include “real-world” objects, that could be subject to intellectual property litigation. *Id.* ¶ 153. Yet its conduct here departed from other games.

[REDACTED]

[REDACTED]

After AM General discovered Activision’s infringements in May 2016, it wrote Activision to protest. *Id.* ¶ 157. Activision ignored that. *Id.* ¶¶ 157-160. Instead of ceasing, in November 2016, Activision released its eighth infringing title, *Modern Warfare Remastered* and continues to sell all of the infringing games to this day. *Id.* ¶ 158.

LEGAL DISCUSSION

I. ACTIVISION CANNOT PREVAIL ON ITS FIRST AMENDMENT ARGUMENTS AT THE SUMMARY JUDGMENT STAGE

A. Activision Overstates The First Amendment’s Reach.

No court has ever held, as Activision argues, that trademark laws “give way” to the First Amendment when an infringing work is “expressive.” *See* Br. 13. Rather, expressive works are “sold in the commercial marketplace like other more utilitarian products, ... the danger of consumer deception [becomes] a legitimate concern.” *Rogers v. Grimaldi*, 875 F.2d 994, 997 (2d Cir. 1989). “Poetic license is not without limits” because “the purchaser of a book, like the purchaser of a can of peas, has a right not to be misled as to the source of the product.” *Id.* “Trademark protection is not lost simply because the allegedly infringing use is in connection with a work of artistic expression.” *Cliffs Notes, Inc. v. Bantam Doubleday Dell Pub. Group, Inc.*, 886 F.2d 490, 493 (2d Cir. 1989). Simply put, the First Amendment is not a get out of jail free card for any expressive work. McCarthy § 10:17.10 (*Rogers* “does not mean that the producer of an expressive work gets a free pass to confuse the public.”).

Likewise, the Lanham Act does not “give way” if a mark has achieved “historical and cultural relevance.” Br. 13. There is no “cultural significance” exception to the Lanham Act. On the contrary, famous marks are entitled to even greater protection than other marks. *See* 15 U.S.C. § 1125(c) (establishing exclusive protection for famous marks from dilution, even with no showing confusion is likely). The Ninth Circuit decision Activision cites holds only that when marks become **genericized**, they cease to have trademark significance. *Mattel, Inc. v. MCA Records, Inc.*, 296 F.3d 894, 900 (9th Cir. 2002). Neither the Ninth nor the Second Circuit let the First Amendment trump trademark rights where the defendant “merely borrow[s] another’s property to get attention.” *Id.* at 901; *Rogers*, 875 F.2d at 1001 (names cannot be

chosen “to exploit the publicity value of their real-life counterparts”).

The First Amendment’s role in a claim for trademark infringement grew out of *Rogers*, where the Court addressed a false advertising claim based on use of a celebrity’s name, Ginger Rogers, in the title of a movie, *Ginger & Fred*. *Id.* at 1000-01. The Court held that, where a false advertising claim arises from an expressive work’s title, it yields to the First Amendment if the title: (1) has “at least some artistic relevance to the work” **and** (2) is “not explicitly misleading as to the content of the work.” *Id.* Later cases adopted that test for unfair competition claims and content-based claims.

Whatever protection the First Amendment may provide to the **content** of an infringing video game, it does not cover Activision’s unauthorized use of the HUMVEE® IP to **advertise** its products. Br. 20-22. Advertising is classic commercial speech that falls outside *Rogers*. *See, e.g., Donahue v. Artisan Entm’t, Inc.*, 2002 WL 523407, at *7 n.5 (S.D.N.Y. Apr. 8, 2002) (noting that *Rogers* did not concern “trade or advertising”); *Yankee Pub. Inc. v. News America Pub. Inc.*, 809 F. Supp. 267, 276 (S.D.N.Y. 1992) (“Free speech rights do not extend to labelling or advertising products” under *Rogers*); *see also, e.g., Facenda v. NFL Films, Inc.*, 542 F.3d 1007, 1017 (3d Cir. 2008) (unauthorized use to advertise a video game).²

Activision goes even one step further, in arguing that its HUMVEE® **toys** are also subject to such protection. Br. 22–24. That stretches the First Amendment beyond its limits. No Second Circuit authority permits Activision’s HUMVEE® merchandise to ride on any First Amendment interest Activision can claim in its games. Activision’s cited case, Br. 22, which

² None of the decisions Activision cites, Br. 21–22, holds that the First Amendment applies to ads for an expressive work. Its citations fleetingly reference advertising, but do not pass on whether it is subject to *Rogers*. *See* Br. 21-22 (citing *Rogers*, 695 F.Supp. at 114; *Louis Vuitton Malletier S.A. v. Warner Bros. Entm’t, Inc.*, 868 F. Supp. 2d 172, 175 (S.D.N.Y. 2012); *Mil-Spec Monkey, Inc. v. Activision Blizzard, Inc.*, 74 F. Supp. 3d 1134, 1143 n.5 (N.D. Cal. 2014); *Dillinger, LLC v. Elec. Arts Inc.*, 2011 WL 2457678, at *7 (S.D. Ind. June 16, 2011)).

(again) comes from the Ninth Circuit, is not on point. The mark there was a common English word (“Empire”), used as the title of a TV show to evoke its use in the English language, in reference to a dynasty and to the Empire State; the court held that it did not refer to plaintiff’s mark. *Twentieth Century Fox Television v. Empire Distribution, Inc.*, 875 F.3d 1192, 1198–99 (9th Cir. 2017). As explained next, Activision’s use of the HUMVEE® IP even in just its video games fails the governing test.

B. On the First *Rogers* Prong—“Artistic Relevance”—Activision Has Failed to Show An Absence of Disputed Facts.

Activision’s showing on *Rogers*’ “artistic relevance” prong fails. This prong assesses not only contextual connection, such as whether military vehicles are relevant to a video game. “The artistic relevance prong ensures that the defendant intended an artistic—i.e., noncommercial—association with the plaintiff’s mark, as opposed to one in which the defendant intends to associate with the mark to exploit the mark’s popularity and good will.” *Louis Vuitton*, 868 F. Supp. 2d at 178.³ If the defendant “did not intend [the work] to be about” the protected intellectual property, but only used it as a “hook,” the artistic relevance prong is not satisfied. *Parks v. LaFace Records*, 329 F. 3d 437, 452 (6th Cir. 2003) (reversing summary judgment).

Activision fails to meet its burden on this prong because the record is devoid of evidence that it had a proper artistic motivations for using the HUMVEE® vehicle. *Cf.* Kostich Decl. ¶¶ 17-19 (stating only that the *Call of Duty* Games include depictions of real world vehicles and combat and answering the question of *what* trademarks the games include, not *why* the games include those trademarks). Activision’s declarant vaguely states: “There is no reason why Activision would wish to confuse consumers” and says he cannot “recall a single instance in

³ Activision asserts that its intent is irrelevant, *id.* 17, but the out of circuit decision it relies on for the proposition does not hold this. *Dillinger*, 2011 WL 2457678, at *6 (assessing subjective intent and finding defendant’s lack of memory inadequate to raise a material disputed fact).

which anyone at Activision articulated any intent” to confuse. *Id.* ¶ 51. But this is not affirmative evidence that Activision did not wish to “exploit the [HUMVEE IP]’s popularity and good will.” *Louis Vuitton*, 868 F. Supp. 2d at 178. Even it were, conclusory and self-serving affidavits do not avoid a triable issue of fact. *Allen v. Coughlin*, 64 F.3d 77, 80 (2d Cir. 1995).

Further, evidence of an intent to confuse—or to impermissibly free ride on a mark’s goodwill—does not have to be in the form of an explicit confession. Courts routinely infer bad intent from conduct. *E.g.*, *Victorinox AG v. B&F Sys., Inc.*, 709 F. App’x 44, 49 (2d Cir. 2017), as amended (Oct. 4, 2017) (inferring bad faith based on defendants’ continued use even after litigation); J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, § 23:113 (5th ed. 2019) (“McCarthy”) (circumstantial evidence typically used to prove intent).

Regardless, as described in Section I(D)(5) below and in AM General’s concurrent motion for partial summary judgment (Dkt. 142), there is more than sufficient evidence to create triable issues of fact as to whether Activision had a commercial, non-artistic intent in using the HUMVEE® IP. *See, e.g.*, Dkt. 142 at 18–20. That evidence shows that Activision intended to associate its *Call of Duty* Games with the instantly recognizable HUMVEE® trade dress, factually undermining its assertions of artistic relevance. *Louis Vuitton*, 868 F. Supp. 2d at 178.

C. In This Circuit, the First Amendment Yields To A “Particularly Compelling” Showing Under The *Polaroid* Factors.

Activision’s motion fails because its reliance on the Ninth Circuit’s version of the *Rogers* test is of no more than academic value. That circuit’s test fundamentally differs from controlling law here. First, the Ninth Circuit rejects consideration of the traditional multi-factor test for assessing the likelihood of confusion in analyzing *Rogers*’ “explicitly misleading” prong. *See, e.g.*, *Brown v. Elec. Arts, Inc.*, 724 F.3d 1235, 1242 (9th Cir. 2013).

Second, the Ninth Circuit historically has required that for a statement to be “explicitly misleading” it must constitute an affirmative misrepresentation. *See, e.g., Fighters Inc., LLC v. Elec. Arts Inc.*, 2009 WL 10699504, at *8 (C.D. Cal. Oct. 30, 2009) (“the defendant’s work must make some affirmative statement of the plaintiff’s sponsorship or endorsement, beyond the mere use of its name or likeness”); *Stewart Surfboards, Inc v. Disney Book Grp., LLC*, 2011 WL 12877019, at *7 (C.D. Cal. May 11, 2011) (similar).

The Second Circuit, originator of the *Rogers* test, takes a different approach. The likelihood of confusion inquiry must be made pursuant to the factors established in *Polaroid Corp.*, 287 F.2d at 495, to determine whether a use is “explicitly misleading.” *Twin Peaks Prods.*, 996 F.2d at 1379 (whether a use is explicitly misleading “must be made, in the first instance, by application of the venerable *Polaroid* factors.”). Where the likelihood of confusion is “particularly compelling,” the “explicitly misleading” prong is satisfied. 996 F.2d at 1379.⁴ It is not a stand-alone, threshold showing, nor one that requires the defendant to have made an affirmative misrepresentation.

Although the Second Circuit has not defined “particularly compelling,” its district courts have denied summary judgment where the evidence could support a jury’s determination that a likelihood of confusion exists. *See, e.g., Kensington Pub. Corp. v. Gutierrez*, 2009 WL 4277080,

⁴ Activision claims that “the Second Circuit in *Rogers* expressly eschewed the *Polaroid* test.” Br. 24. Not true. *Rogers* did not even address the *Polaroid* test in the context of the false advertising claim. When the Second Circuit considered the First Amendment in the context of a trademark infringement claim, in *Cliffs Notes*, it acknowledged that “*Rogers* ... was concerned with a very different problem from” trademark infringement, which “is not about whether a title is false advertising but whether the appearance of a work’s cover is confusingly similar to the trademark elements of an earlier cover.” 886 F.2d at 494. Activision misleadingly portrays *Cliffs Notes* as recognizing *Polaroid* was “at best awkward as applied to artistic expression.” Br. 24. However, *Cliffs Notes* acknowledged the awkwardness of the factors in the context of parody—a defense not available here—and, even then, held that the *Polaroid* factors should be applied. 886 F.2d 490, n.3. In all events, the Second Circuit’s later decision in *Twin Peaks* controls.

at *6 (S.D.N.Y. Nov. 10, 2009) (denying motion as to expressive work, where similarity, proximity, and bad faith *Polaroid* factors favored plaintiff); *Betches, LLC v. AwesomenessTV, Inc.*, 2017 WL 10456833, at *7–8 (E.D.N.Y. Apr. 25, 2017) (denying motion as to expressive work where plaintiff raised “significant questions” on confusion). This is true even in the absence of actual confusion. Thus, in a bench trial Judge Sand found the strength of the mark, degree of similarity, proximity of the products, and intentional copying to be “sufficiently compelling” to outweigh the First Amendment interests, after giving little weight to plaintiff’s survey. *Simon & Schuster, Inc. v. Dove Audio, Inc.*, 970 F. Supp. 279, 300 (S.D.N.Y. 1997).

Activision claims also that “recent court decisions almost uniformly have held that the *Rogers* Test ... is different from and replaces ... *Polaroid*.” Br. 24. But the decisions are from the Ninth Circuit, which puts them at odds with other circuits, including this one.⁵ See *Westchester Media v. PRL USA Holdings, Inc.*, 214 F.3d 658, 661 (5th Cir. 2000) (finding use of Ralph Lauren POLO mark on magazine about polo infringing under *Rogers*); see also Br. 24.⁶

Twin Peaks’ holding is thus not, as Activision indefensibly claims, a mere “suggest[ion]” to “include some consideration of the *Polaroid* factors.” Br. 25. It is a **requirement** to apply **all** of the *Polaroid* factors to determine if the *Rogers* “explicitly misleading” prong is satisfied. *Kensington*, 2009 WL 4277080, at *6 (“the Court must assess the likelihood of confusion by using ‘the familiar *Polaroid* factors’”); *Simon & Schuster, Inc.*, 970 F. Supp. at 296 (same).

⁵ Activision also misleadingly cites dicta from the district court decision in *Girl Scouts* (which predated *Twin Peaks*) as “instructive” for observing that it was “possibly” not required to apply *Polaroid*. Br. 25. But the Second Circuit clarified that the district court **had** analyzed the *Polaroid* factors and did not criticize that approach. *Girl Scouts of U.S. v. Bantam Doubleday Dell Pub. Group, Inc.*, 996 F.2d 1477, 1478 (2d Cir. 1993).

⁶ Activision cites two inapposite Southern District cases in a footnote. Br. 24, n.18. *Louis Vuitton* recognized that it was bound to apply *Polaroid*. 868 F. Supp. 2d at 179. The Court in *Cummings v. Soul Train Holdings LLC*, 67 F. Supp. 3d 599, 606 (S.D.N.Y. 2014), did not reach *Polaroid* (or acknowledge *Twin Peaks*) because it dismissed the complaint at the pleading stage.

After *Twin Peaks*, Second Circuit courts have weighed the *Polaroid* factors to determine the “explicitly misleading” prong. *A.V.E.L.A., Inc. v. Estate of Marilyn Monroe, LLC*, 364 F. Supp. 3d 291, 322 (S.D.N.Y. 2019); *Communico, Ltd. v. DecisionWise, Inc.*, 2018 WL 1525711, at *8 (D. Conn. Mar. 28, 2018); *Betches*, 2017 WL 10456833, at *6-8; *Kensington*, 2009 WL 4277080, at *6; *Simon & Schuster*, 970 F. Supp. at 296. So too have the in-circuit cases Activision cites. Br. 14-15. See *Cliffs Notes*, 886 F.2d at 495 n.3; *Medina v. Dash Films, Inc.*, 2016 WL 3906714, at *4 (S.D.N.Y. July 14, 2016); *Louis Vuitton*, 868 F. Supp. 2d at 179.⁷

Activision also overstates what it means for a use to be “explicitly misleading.” See Br. 18. The Second Circuit does not require an express, direct statement. For example, *Twin Peaks* remanded for consideration under *Polaroid* even where there was: (1) *no* affirmative misrepresentation, and (2) an overt and specific *disclaimer* of association *on the cover*. 996 F.2d at 1379-80; see also, e.g., *A.V.E.L.A.*, 364 F. Supp. 3d at 322 (use of celebrity likeness on a t-shirt, without explicit statement of sponsorship, sufficient). Even the Ninth Circuit recently reversed a district court for holding that *Rogers* required an “affirmative statement of the plaintiff’s sponsorship or endorsement.” *Gordon v. Drape Creative, Inc.*, 909 F.3d 257, 269 (9th Cir. 2018). Courts must consider “all of the relevant facts and circumstances,” and, “[i]n some instances, the use of a mark alone may explicitly mislead consumers.” *Id.* at 269-70.

D. Evidence on Each *Polaroid* Factor Either is Disputed or Weighs Only in AM General’s Favor, Thus Precluding Summary Judgment.

Each of the eight *Polaroid* factors is addressed below. The case-specific, fact-intensive nature of this analysis cannot be overstated. Each factor raises fact questions. Their collective and relative weighing is also a fact question, unique to each case. For these reasons, *courts in*

⁷ The one S.D.N.Y. case Activision cited that did not apply *Polaroid*, Br. 25, n.19 (*Lombardo v. Dr. Seuss Enters., L.P.*, 279 F. Supp. 3d 497, 514 & n.1 (S.D.N.Y. 2017)), is easily distinguished because the defendant’s work was a parody.

the Second Circuit rarely resolve these issues at the summary judgment stage, and recognize that “[s]ummary judgment is particularly inappropriate in trademark actions where a finding of likelihood of confusion in customers must be determined.” *Quoizel, Inc. v. Bobrow Sales Assocs., Inc.*, 1985 WL 2191, at *1 (S.D.N.Y. July 31, 1985).⁸

Summary judgment is thus properly denied on the explicitly misleading prong where, as here, the plaintiff proffers evidence on the *Polaroid* factors that “could support a fact finder’s determination in [its] favor.”⁹ *Kensington*, 2009 WL 4277080, at *6 (denying defendant’s *Rogers* motion based on evidence of “similarity, proximity, and bad faith”); *see also, e.g., Communico*, 2018 WL 1525711, at *8 (applying *Twin Peaks* to find factual questions precluded dismissal, including on similarity of marks); *Betches*, 2017 WL 10456833, at *6-8 (denying defendant’s *Rogers* summary judgment motion because defendant did not meet burden under *Polaroid*); *A.V.E.L.A.*, 364 F. Supp. 3d at 322 (similar).¹⁰ As shown below, Plaintiff has adduced sufficient evidence on each factor such that summary judgment is out of the question.

⁸ *See also Cadbury Beverages, Inc. v. Cott Corp.*, 73 F.3d 474, 478 (2d Cir. 1996) (reversing grant of summary judgment); *R.F.M.A.S., Inc. v. Mimi So*, 619 F. Supp. 2d 39, 82 (S.D.N.Y. 2009) (“Questions regarding the likelihood of confusion are normally factual in nature”); *Nester’s Map & Guide Corp. v. Hagstrom Map Co.*, 796 F. Supp. 729, 736 (E.D.N.Y. 1992); *Jordache Enterprises, Inc. v. Levi Strauss & Co.*, 841 F. Supp. 506, 515 (S.D.N.Y. 1993).

⁹ Activision again erroneously strains to heighten the plaintiff’s burden by arguing that confusion must be “probable.” Br. 25, n.21. But courts have found a “probability” of confusion on the basis of surveys showing that just 7% of the respondents were confused. *E.g., Grotrian, Helfferich, Schulz, Th. Steinweg Nachf. v. Steinway & Sons*, 365 F. Supp. 707, 716 (S.D.N.Y. 1973), *aff’d as modified on other grounds*, 523 F.2d 1331 (2d Cir. 1975). AM General’s survey evidence shows more than *twice* that level of confusion.

¹⁰ Activision’s few in-circuit decisions are not comparable. Br. 15. In *Louis Vuitton*, the mark was used in a movie “for no more than a few seconds at a time and for less than thirty seconds in total” and was usually “out of focus, or partially obscured.” 868 F. Supp.2d at 182. In *Medina*, 2016 WL 3906714, at *5–6, the court found that common Spanish words for “lower east siders” was not likely to confuse as the title of a film “set in the Lower East Side.” *Cummings*, 67 F. Supp. 3d at 605-06, granted a motion to dismiss, not because there was no evidence to support a likelihood of confusion, but because the allegations were insufficient.

1. The evidence on the “Strength of Plaintiff’s Marks” is disputed.

This factor concerns the degree to which consumers associate the HUMVEE® IP with a single, even if anonymous, source. *WIZKIDS/NECA, LLC v. THH Ventures, LLC*, 2019 WL 1454666, at *5 (S.D.N.Y. Mar. 31, 2019). The strength of a mark and the weight to give it are questions of fact “more appropriately dealt with by the jury.” *Nat’l Envelope Corp. v. Am. Pad & Paper LLC*, 2012 WL 13059739, at *4 (S.D.N.Y. Mar. 13, 2012).

The HUMVEE® IP is widely recognized as an indicator of source among the consuming public. *E.g.*, *General Motors Corp. v. Lanard Toys, Inc.*, 468 F.3d 405, 410, 418-20 (6th Cir. 2006) (liability for use of HUMVEE® IP in toys); *AM General Corp. v. DaimlerChrysler Corp.*, 311 F.3d 796, 821, 830 (7th Cir. 2002) (HUMVEE® vehicles “gained considerable renown” and “the Humvee’s front end ... has developed its own secondary meaning”); *General Motors Co. v. Urban Gorilla, LLC*, 2010 WL 5395065, at *1 (D. Ut. Dec. 27, 2010) (HUMVEE® vehicles “gained national attention”); CSUF ¶¶ 12-31.

Evidence of strength overlaps with that of secondary meaning. *See WIZKIDS*, 2019 WL 1454666, at *5. As noted in that section, the HUMVEE® IP has benefited from massive media coverage, advertising, and its licensing program. It has earned billions in revenue. At most, there is a dispute as to the degree of this strength. That is for a jury to resolve.

Activision incorrectly contends that the strength analysis should be limited to the video game market. Br. 26. The analysis focuses on “the strength of the mark in [plaintiff’s] own market.” *See WIZKIDS*, 2019 WL 1454666, at *7. The case Activision relies on confirms this. *Morningside Group Ltd. v. Morningside Capital Group, L.L.C.*, 182 F.3d 133, 136, 139 (2d Cir. 1999) (strength is measured in the market “in which it is used”—*not* the defendant’s market).

The balance of Activision’s strength argument focuses on unauthorized, third party uses of the HUMVEE® IP. Br. 26-28. Its argument fails.

First, trademark owners are “not required to police every conceivably related use thereby needlessly reducing non-competing commercial activity and encouraging litigation.” *Playboy Enters., Inc. v. Chuckleberry Publ’g, Inc.*, 486 F. Supp. 414, 422-23 (S.D.N.Y. 1980); *New York City Triathlon, LLC v. NYC Triathlon Club, Inc.*, 704 F. Supp. 2d 305, 331 (S.D.N.Y. 2010) (same). That AM General has enforced its rights on a case by case basis, CSUF ¶¶ 32-35, does not render its marks weaker. *See Morningside*, 182 F.3d at 139 (use in different market does not undermine mark’s strength in own its market).

Second, Activision offers no evidence to support its assertion that, because other video game developers used the HUMVEE® IP without permission in the past, consumers no longer associate the HUMVEE® IP with a single source. In contrast, AM General has adduced evidence that consumers who see the HUMVEE® IP in an audiovisual work assumed that it is authorized. CSUF ¶¶ 29, 80. Thus, Activision’s claim that the HUMVEE® IP has been featured throughout audiovisual works only bolsters its strength by increasing its exposure among consumers. Activision’s citations (Br. 27) involving the “ubiquity” of “diamond pattern[s] in the quilting for [hand]bags,” *MZ Wallace Inc. v. Fuller*, 2018 WL 6715489, at *10 (S.D.N.Y. Dec. 20, 2018), or the widespread use of “fish-shaped candies,” *Malaco Leaf, AB v. Promotion In Motion, Inc.*, 287 F. Supp. 2d 355, 364–65 (S.D.N.Y. 2003), are inapposite. Those cases involved generic designs or shapes common among manufacturers in their respective industries, not a product that, like the HUMVEE® vehicle, is distinctive in the marketplace and unique to a single manufacturer. *See id.* There is no credible claim here that the HUMVEE® IP is a generic design. Activision oddly relies on *Girl Scouts of U.S. of Am. v. Bantam Doubleday Dell Pub. Grp., Inc.*, 808 F. Supp. 1112, 1123–24 (S.D.N.Y. 1992), to argue that third party uses lessen consumers’ ability to recognize the mark. But that case dealt with an at-best descriptive,

if not generic, mark in the word “scout” as used in books about scouting. *See id.* at 1123-24 & n.17.

Finally, Activision has no evidence of the extent to which these third party works were sold, or their revenue, geographic reach, or channels of trade. *Cf.* RSUF ¶ 40-42. Without this, Activision cannot prove those uses weakened the HUMVEE® IP, even crediting its logic. *See Scarves by Vera, Inc. v. Todo Imports Ltd.*, 544 F.2d 1167, 1173 (2d Cir. 1976) (significance “depends wholly upon their usage” including whether uses “were well promoted or ... recognized by consumers”). Activision overstates the significance of the evidence it has. *Compare* Br. 8 (suggesting 200 video games used Humvees on the packaging) *with* Berkley Ex. 10 (finding only 6 such games); *see also* RSUF ¶ 40-42. On this record, Activision would lose this factor at trial. *A fortiori*, it has to lose it at summary judgment.

2. The evidence on the “Similarity of the Marks” factor favors Plaintiff.

The parties’ marks need not be identical for this factor to favor the plaintiff; they need only separately create the “same overall impression.” *Banff, Ltd. v. Federated Dep’t Stores, Inc.*, 841 F.2d 486, 492 (2d Cir. 1988). Here, there is no dispute that Activision slavishly copied the HUMVEE® Trade Dress for its games, merchandise, marketing, and live events, with the admitted intention that consumers would recognize its vehicle as the HUMVEE® vehicle. *See* Br. 28; CSUF ¶¶ 58-72. Likewise, there is no dispute that Activision referred to the vehicle by using Plaintiff’s HUMVEE® and HMMWV® marks. *See* Br. 19; CSUF ¶¶ 49-50. Thus, a jury would likely conclude that this factor strongly favors a finding of confusion.

Activision cites *Girl Scouts* to argue that the “context” of the parties’ respective use of the marks renders them dissimilar. Br. 28. But that case is of no support; the plaintiff’s “Girl Scouts” marks appeared nowhere in the defendant’s book. *Girl Scouts*, 808 F. Supp. at 1124. Moreover, the allegedly infringing mark, “Pee Wee Scouts,” was meant to represent “a fictional

group,” and as a fictional group, readers would not assume they were associated with the real world Girl Scouts. *Id.* Not here. The HUMVEE® vehicle appears as it does in the real world. CSUF ¶¶ 58-72. In contrast to the scores of other vehicles (and objects) Activision created from scratch, it is not a fictionalized vehicle, it has striking features, and it is not referred to using a fictional name. *Id.* ¶¶ 57-61. Unlike in *Girl Scouts*, here the facts and context support the likelihood that consumers would mistakenly believe there was an association. *Id.* ¶¶ 43-135.¹¹

Activision’s use of its own marks does not redeem its argument. In *Hormel Foods Corp. v. Jim Henson Productions, Inc.*, 73 F.3d 497, 503-04 (2d Cir. 1996), Br. 28, the maker of the spiced canned ham product Spam alleged trademark infringement by a “wild boar puppet,” named “Spa’am.” The court found that the parties’ respective uses “appear in strikingly different contexts and project wholly different visual displays.” *Id.* In marked contrast, Activision’s accused vehicles are not parodic trucks, but replicas of the actual HUMVEE® vehicles, portrayed engaging in the same context of activity as actual HUMVEE® vehicles. CSUF ¶¶ 58-72. Activision cites no authority that using its own name on the front cover of its games dispels association confusion, especially as a matter of law. *See, e.g., Lois, U.S.A., Inc. v. Levi Strauss & Co.*, 799 F.2d 867, 873-74 (2d Cir. 1986) (labeling may prevent confusion at point of sale but “does nothing to alleviate other forms of likely confusion”).¹²

¹¹ As to the toy replica HUMVEE® vehicles that Activision licensed Mattel and others to make, Activision now feigns difficulty in seeing that they resemble the HUMVEE® vehicles, even though the toys look exactly as one would expect HUMVEE® vehicles to look if made from plastic blocks (*see* CSUF ¶ 107). Br. 23. Activision’s employees [REDACTED]

[REDACTED] And trademark law does not require that infringing toys be exact duplicates of the trade dress. *Banff*, 841 F.2d at 492.

¹² Activision claims the HUMVEE® IP use in the *Heroes* game is *de minimis*. But the decision it cites did not involve an infringing product line. *Gottlieb Dev. LLC v. Paramount Pictures Corp.*, 590 F. Supp. 2d 625, 634–35 (S.D.N.Y. 2008). Further, the use there is not comparable: HUMVEE® vehicles appear throughout *Heroes*. CSUF ¶ 43. Activision also argues that its

3. The evidence on the “Competitive Proximity” and “Bridging the Gap” factors is disputed.

Where the parties compete closely, both the competitive proximity and bridging the gap factors favor the plaintiff. Courts have recognized that this factor may be of limited value in disputes arising from the use of a plaintiff’s trademark in the content of a book, movie, or other expressive work because, although “consumers are unlikely to think [vehicle manufacturer plaintiff] has entered the video-game business,” the appearance of its product in a video game “leads consumers to believe it is ‘somehow behind’ or ‘sponsors’” it. *Elec. Arts, Inc. v. Textron Inc.*, 2012 WL 3042668, at *4 (N.D. Cal. July 25, 2012). Activision ignores this by arguing that this factor tips in its favor because AM General is primarily in the business of making military vehicles whereas Activision is primarily in the business of selling video games. Br. 29.

The “competitive proximity” factor under *Polaroid* asks only whether the two marks are used in the same industry; “direct competition between the products is not” required. *Mobil Oil Corp. v. Pegasus Petroleum Corp.*, 818 F.2d 254, 257-58 (2d Cir. 1987); *see also Lexington Mgmt. Corp. v. Lexington Capital Partners*, 10 F. Supp. 2d 271, 284–85 (S.D.N.Y. 1998).

So too here. AM General is not solely in the business of making military vehicles. It is also in the business of licensing-out the rights to depict them in video games and toys. CSUF ¶ 26-34.¹³ AM General has overseen the placement of its marks in other audiovisual works, as well. *Id.* ¶¶ 29-30. This increases the likelihood of confusion because viewers assume the use of

repeated use of the HUMVEE® wordmark to refer to the vehicle in the games is “descriptive” fair use. *See* Br. 19. But that argument is undermined by the cited decision, which holds that a use is not a “fair” use where it is used to refer to another infringing use—here, the infringing trade dress. *See Coty Inc. v. Excell Brands, LLC*, 277 F. Supp. 3d 425, 456–57 (S.D.N.Y. 2017).

¹³ Activision understates the scope of AM General’s licensing program. *Compare* Br. 7-8 with CSUF ¶¶ 26-35. Not only is Activision asking the Court to weigh the evidence in Activision’s favor at the summary judgment stage, the scope of AM General’s licensing program is irrelevant. *See Heisman Trophy*, 595 F. Supp. 2d at 327 (where defendant claimed plaintiff licensed only “a few series of T-shirts,” these two *Polaroid* factors still favored plaintiff).

a branded product in an audiovisual work has been authorized. *Id.* ¶ 29, 80. Thus, whether AM General has “itself produced or developed a video game,” Br. 29, is irrelevant because a plaintiff’s licensing of its mark for use in the defendant’s industry is enough to make the marks competitively proximate. *E.g., Heisman Trophy Tr. v. Smack Apparel Co.*, 595 F. Supp. 2d 320, 327 (S.D.N.Y. 2009). Because AM General has licensed the use of its marks in the video game and toy industries, both the “bridging the gap” and “competitive proximity” factors favor AM General. *See id.*¹⁴

4. The evidence on the “Actual Confusion” factor is disputed.

Actual confusion is not required to find a likelihood of confusion. *MasterCard Int’l, Inc. v. Nader 2000 Primary Committee, Inc.*, 2004 WL 434404, at *3 (S.D.N.Y. Mar. 8, 2004) (Daniels, J.) (“it is not essential for a finding of trademark infringement to demonstrate actual confusion.”); *see also Beastie Boys v. Monster Energy Co.*, 66 F. Supp. 3d 424, 456 (S.D.N.Y. 2014). This is because “actual confusion is very difficult to prove and the Act requires only a likelihood of confusion.” *Lois*, 799 F.2d at 875.

However, this factor favors AM General because Activision’s intentional copying of the HUMVEE® IP creates a presumption of confusion. *Paddington Corp. v. Attiki Importers & Distributors, Inc.*, 996 F.2d 577, 586 (2d Cir. 1993); *Gucci Am., Inc. v. Guess?, Inc.*, 868 F. Supp. 2d 207, 240 (S.D.N.Y. 2012). Activision claims that the “mere intent to copy or reference a mark” is not an intent to confuse. Br. 31. But even copying “creates a presumption of an

¹⁴ Activision exaggerates the cases to argue that, for this factor to weigh in AM General’s favor, the company’s “central purpose” must be the sale of video games. Br. 29, n.22. In *Girl Scouts*, 808 F. Supp. at 1126, however, the defendant’s fictional book was not “related” because “publication and distribution of children’s fiction has never been a focus” of the Girl Scouts and what fictional literature it did offer did “not compete in any direct sense with Defendants’ children’s fiction.” Likewise, *Hormel* nowhere says “licensed merchandise” is not relevant, as Activision argues, Br. 29, n.22; it holds only that there is no competitive proximity where the parties’ respective merchandising markets do not overlap. 73 F.3d at 504.

intent to deceive, unless there is evidence to the contrary.” *Gucci*, 868 F. Supp. 2d at 243.

Because Activision has offered no exculpatory evidence, the presumption stands.

Activision incorrectly claims there is no evidence of actual confusion. Br. 30. Survey evidence *is* such evidence. *Disney Enterprises, Inc. v. Sarelli*, 322 F.Supp.3d 413, 435 (Daniels, J.); *see also Medici Classics Prods. V. Medici Group LLC*, 590 F.Supp.2d 548, 556 (S.D.N.Y. 2008) (actual confusion is “generally shown through consumer surveys”). The record here includes results from a survey that found that **16% of consumers** shown actual video game play from Activision’s games were confused as to AM General’s association with *Call of Duty*. CSUF ¶ 80. This result “clearly show[s] a strong perceived association between the makers of the video game and the Humvee” and that a “compelling likelihood of confusion exists as to association, sponsorship, or approval,” particularly given the context of their use. *Id.* That evidence alone is sufficient to tip this factor in AM General’s favor.¹⁵

In a footnote, Activision attempts to downplay this evidence, claiming that “*Rogers* makes clear that survey evidence is not relevant....” Br. 30, n.23. *Rogers* says no such thing, and decisions applying it have looked to survey evidence. *E.g., Simon & Schuster*, 970 F. Supp. at 299 (surveys “probative of a likelihood of confusion” despite *Rogers* defense). Accordingly, it is for a jury to decide whether this evidence is “compelling” in light of all of the *Polaroid* factors and evidence. *Cadbury*, 73 F.3d at 478 (“If a factual inference must be drawn to arrive at a particular finding on a *Polaroid* factor, and if a reasonable trier of fact could reach a different

¹⁵ Activision also harps on the absence of consumers calling AM General about *Call of Duty*. Br. 30. But its cases are not comparable. They involved competing consumer products, where customers would be expected to call the plaintiff in error. *Starbucks Corp. v. Wolfe’s Borough Coffee, Inc.*, 588 F.3d 97, 117 (2d Cir. 2009); *Disney*, 322 F. Supp. 3d at 435; *Girl Scouts*, 808 F. Supp. at 1128. *See Guthrie Healthcare Sys. v. ContextMedia, Inc.* 826 F.3d 27, 44 (2d Cir. 2016) (noting that absence of reported confusion “does not necessarily prove anything” where the two marks do not operate side-by-side.) Here, video game purchasers cannot reasonably be expected to call AM General’s warranty department to complain about malfunctioning video games.

conclusion, the district court may not properly resolve that issue on summary judgment”).

In that same footnote, Activision mentions its own survey. However, that survey cannot salvage Activision’s motion because the Court must credit the non-movant’s evidence and indulge every reasonable inference from it. *Can’t Live Without It, LLC v. ETS Express, Inc.*, 287 F. Supp. 3d 400, 410 (S.D.N.Y. 2018). It is for the jury to weigh the parties’ surveys at trial, where Activision’s expert will have to defend her unorthodox use of *ads* to test for confusion in the *games*. See *Pinterest, Inc. v. Pintrips, Inc.*, 140 F. Supp. 3d 997, 1016 (N.D. Cal. 2015) (disregarding Dr. Jay’s survey for use of improper stimulus); RSUF ¶ 76.

5. The evidence on the “Bad Faith” element favors AM General.

Under this *Polaroid* factor, the fact-finder is allowed to find a likelihood of confusion if the defendant acted in bad faith, which in this context is synonymous with willfulness. *E.g.*, *Victorinox*, 709 F. App’x at 49-50 & n.5. As detailed in AM General’s motion for partial summary judgment (Dkt. 142 at 18–20), Activision’s own documents, emails, and witness testimony establish this factor—beyond dispute—that Activision acted willfully.

Activision claims there is nothing more here than a “mere intent to copy or reference a mark.” Br. 31. That is Activision’s version of, at most, *some* of the facts. At trial, it can try to convince the jury to accept that evidence and disregard the contrary evidence AM General has adduced. But at this stage of the case, the Court is required to draw every reasonable inference from AM General’s substantial *direct* evidence of Activision’s bad faith. See CSUF ¶¶ 53-161.

6. The evidence on the “Respective Quality of the Products” element is beyond dispute and favors AM General.

Activision concedes the quality of goods factor by not addressing it. That is because high quality goods “actually may increase the likelihood of confusion as to source” because consumers will in fact be more likely to assume affiliation. *Lois*, 799 F. 2d at 875. Moreover,

“[e]ven if the infringer’s goods are of high quality, the [senior owner] has the right to insist that its reputation not be imperiled by another’s actions.” *Mobil.*, 818 F. 2d at 259-60. Activision’s games do exactly that. Although HUMVEE® vehicles have low centers of gravity, and are highly roll-resistant, Activision portrays them as unstable and easily destroyed. *See* RSUF ¶ 57, 62, 101; CSUF 46.

7. The evidence of consumer sophistication is disputed.

Video gamer players are sufficiently sophisticated to recognize that product placements stem from express authorization by the product’s owner. But no amount of sophistication could dispel the confusion Activision has created. Consumers have no practical means of determining whether AM General authorized the use of the HUMVEE® vehicles. Because Activision copied the HUMVEE® IP so precisely, even sophisticated consumers are likely to be confused. *E.g.*, *Lois*, 799 F.2d at 875; *Grotrian*, 523 F.2d at 1341-42. The evidence demonstrates that the use of the HUMVEE® Trade Dress made consumers more likely to purchase or recommend the *Call of Duty* Games. CSUF ¶ 94. Viewers who watched trailers with HUMVEE® vehicles were substantially more likely to be interested in, buy, and recommend the game than viewers who saw trailers without HUMVEE® vehicles in them. *Id.* Activision admits that video game purchasers “make their decisions based on their knowledge of the product [and] reviews....” Br. 30. The HUMVEE® IP was frequently highlighted in product reviews, and game players would expect, from earlier infringing games, that later games would include HUMVEE® IP. Kitchen Decl. Ex. A ¶ 185 & *id.* App. E. Indeed, the record evidence demonstrates that game players clamored for more HUMVEE® vehicles in *Call of Duty*. *Id.* That raises a triable issue of fact as to the sophistication factor and its bearing on the likelihood of confusion.

8. Laches is an affirmative defense, not a *Polaroid* factor; but the evidence favors AM General.

Activision asks the Court to supplement the established *Polaroid* test by adding Activision’s laches affirmative defense as a ninth factor. Br. 31-32. This tacit admission by Activision, that it has a feeble showing under *Polaroid*, does not change the fact that no court in this circuit, outside the context of a preliminary injunction proceeding, has examined delay in ascertaining the existence of a likelihood of confusion. And for good reason: There is no logical connection between the two. The *Polaroid* factors focus on the trademarks and if consumers are likely to be confused by what *the defendant* did and *why* it did it. The speed with which a plaintiff responded, or should have responded, does not change that.¹⁶ Even if the Court were to indulge Activision’s request, its “laches” defense cannot save its summary judgment motion.

First, as explained in AM General’s motion, Dkt. 142 at 18–20, because it is beyond dispute that Activision acted willfully, *see* Section 1(D)(5), Activision is barred from raising laches. *E.g., Victorinox AG v. B&F System, Inc.*, 114 F. Supp. 3d 132, 137 (S.D.N.Y. 2015).

Second, Activision has failed to prove that AM General knew Activision was continuing to use its HUMVEE® IP after promising to stop—a promise that AM General reasonably relied upon. *See* CSUF ¶ 53-56. This is fatal to its defense because Activision must prove that AM General knew, “not simply that [the infringer] was using the potentially offending mark, but that [it] had a provable infringement claim against [the infringer].” *Excelled Sheepskin & Leather Coat Corp. v. Oregon Brewing Co.*, 897 F.3d 413, 419 (2d Cir. 2018). Activision presented no evidence that AM General possessed facts that could impose a burden to investigate. *Borghese*

¹⁶ In the decision Activision cites, Br. 31, the court held that it would be inappropriate to weigh laches against “a strong showing of likelihood of confusion.” *Pub. Corp. v. Manhattan Magazine, Inc.*, 616 F. Supp. 370, 397 (S.D.N.Y. 1985). The court did not even weigh it and limited it to the preliminary injunction stage, where delay is typically considered. *See id.*

Trademarks Inc. v. Borghese, 2013 WL 143807, at *9 (S.D.N.Y. Jan. 14, 2013) (inquiry notice triggered only if “facts already known” by plaintiff “were such as to put upon a man of ordinary intelligence” on duty of inquiry). Activision also identifies no evidence that anyone at AM General knew that it had decided to use the HUMVEE® IP in 2007. Although Activision says it extensively advertised the games, Br. 31, any relevance of that is undermined by its claim that it barely used the HUMVEE® IP in those ads. RSUF ¶¶ 67-69. *See Borghese*, 2013 WL 143807 at *9.¹⁷

Third, Activision has no evidence to substantiate its “generalized assertion” of prejudice. *Excelled Sheepskin*, 897 F.3d at 420; *see* Br. 32. Nor could it, because Activision knew that AM General objected to its use of the HUMVEE® IP before it created the first *Call of Duty* Game. *See id.* (no prejudice where defendant was on notice of objection); CSUF ¶¶ 53-55. Moreover, Activision continued to infringe even after AM General’s cease and desist letter. *Id.* ¶¶ 157-61; *see Excelled Sheepskin*, 897 F.3d at 420; *Dial-A-Mattress Operating Corp. v. Mattress Madness, Inc.*, 841 F. Supp. 1339, 1357 (E.D.N.Y. 1994) (defendants “may not claim reasonable reliance upon plaintiff’s inaction since the defendants were fully aware of plaintiff’s claim of superior rights”). This undermines its assertion that it would have “sought judicial ... guidance.” Br. 32.

E. Even Under Activision’s Erroneous Version of *Rogers*’ Second Prong, There Are Disputed Issues of Fact.

Even if the Second Circuit did not require analysis of the likelihood of confusion factors (which it does), and required AM General to prove that Activision intentionally misled the public about an association with the HUMVEE® vehicle, there are triable issues. Activision attempts

¹⁷ Activision’s reliance, Br. 32, on *Charles Atlas Ltd. v. DC Comics, Inc.*, 112 F. Supp. 2d 330, 334 (S.D.N.Y. 2000), is puzzling. The plaintiff there knew of the infringing comic books, having a “long history of advertising” in them as a “large advertiser ... even at the time that the infringing work appeared.” *Id.* at 333, 335. AM General and Activision conduct no business.

to conceal its multiple affirmative misrepresentations, claiming it “never once even suggested” that AM General was involved. Br. 2. But Activision’s user guides for many of the console-based games include an affirmative misrepresentation that *Activision either owns or licensed all of the objects and artwork in the games*, which includes the HUMVEE® vehicles. CSUF ¶ 73. That is a clear “‘affirmative statement’ of association.” Br. 18. And it is indisputably false.

There is much more. An affirmative misstatement is not the only way to cause the public to form a mistaken belief of association. *E.g.*, *A.V.E.L.A.*, 364 F. Supp. 3d at 309, 322. The way in which players encounter the HUMVEE® IP in Activision’s games, merchandise, marketing, and live events is relevant to their impression of the association between Activision and the HUMVEE® brand. *See Beastie Boys*, 66 F. Supp. 3d at 449-50 (assessing prominence of use in marketing); *Chanel, Inc. v. WGACA, LLC*, 2018 WL 4440507, at *3 (S.D.N.Y. Sept. 14, 2018) (similar). This is true even in the Ninth Circuit. *See Textron*, 2012 WL 3042668, at *4 (denying summary judgment under *Rogers* for depicting military helicopter in video game, even with disclaimer; given the “particular prominence” of plaintiff’s military helicopter in combat video game, “consumers could plausibly think [plaintiff] sponsored the game”).¹⁸ Activision is wrong

¹⁸ Activision wrongly asserts that the facts here are “virtually identical” to cases in which Ninth Circuit courts dismissed claims against video games. Br. 16 & 20. Not only were those cases decided under a different legal standard than governs here, but they are also factually distinguishable in the nature of the use of the plaintiff’s trademarks and trade dress. *See E.S.S. Entm’t 2000, Inc. v. Rock Star Videos, Inc.*, 547 F.3d 1095, 1100 (9th Cir. 2008) (plaintiff’s allegedly protected property was “generic,” and “[w]hatever one [could] do [there] seem[ed] quite incidental to the overall story of the Game”); *Brown*, 724 F.3d at 1243-44 (plaintiff’s likeness was one among “thousands of different current and former NFL players” and “does not appear in ... marketing materials”); *VIRAG S.R.L. v. Sony Computer Enter’t Am. LLC*, 2015 WL 5000102 (N.D. Cal. Aug. 21, 2015), *aff’d* 699 F. App’x 667 (9th Cir. 2017) (defendant’s games did not involve any of plaintiff’s products and use was minimal); *Capcom Co. v. MKR Group, Inc.*, 2008 WL 4661479 (N.D. Cal. Oct. 20, 2008) (plaintiff’s and defendant’s titles the shared one word); *Dillinger*, 2011 WL 2457678, at *7 (defendant’s games could “be played ‘many times without interfacing with the [marks],’” which were “quite incidental”); *Mil-Spec.*, 74 F. Supp. 3d at 1140 (it was “possible for the disputed mark never to appear during game play, or not for many matches or hours”); *Novalogic, Inc. v. Activision Blizzard*, 41 F. Supp. 3d 885, 891

that its “pervasive” use of the HUMVEE® IP is irrelevant to the *Polaroid* analysis. Br. 20.

II. ACTIVISION’S ARGUMENTS ABOUT THE PROTECTABILITY OF THE TRADE DRESS ARE LEGALLY WRONG AND TURN ON DISPUTED FACTS

As a threshold matter, AM General’s registrations are “prima facie evidence” of the validity of the marks and AM General’s ownership of them, which shifts the burden of proof to Activision on questions of validity (and ownership). 15 U.S.C. § 1115(a); *Lois*, 799 F.2d at 871.

A. The HUMVEE® Vehicles have a sufficiently “consistent look”

Activision claims that the HUMVEE® Trade Dress is not entitled to protection because not all HUMVEE® vehicles bear all eleven elements of the trade dress. Br. 32. Activision describes this as the lack of a “consistent look” and an “extreme degree of variation” between HUMVEE® models. *Id.* Activision notes that one HUMVEE® model has a “squared-off rear” that lacks the “sloped back” element included in AM General’s registration. *Id.* 33. Such phrases as “consistent look,” “extreme degree,” and Activision’s characterizations of what they mean only highlight that it is asking the Court to resolve fact issues on summary judgment.

Regardless, a plaintiff is allowed to identify which of its products bears the trade dress it asserts in the litigation; consistency is measured as between those products only. *See Classic Touch Décor, Inc. v. Michael Aram, Inc.*, 2015 WL 6442394, *8 (E.D.N.Y. Oct. 23, 2015) (“the court should not consider products that are not at issue”). As long as those products have a consistent “overall look,” “minor variations are acceptable.” *Compare id.* (no inconsistency in trade dress definition despite differences in “underlying materials that compose the tableware

(C.D. Cal. 2013) (mark “briefly displayed,” was not interactive, and was not used “in any advertising”); *Louis Vuitton*, 868 F. Supp. 2d at 182 (mark was on screen for “no more than a few seconds at a time” and usually “out of focus, or partially obscured”); *ETW Corp. v. Jireh Pub., Inc.*, 332 F.3d 915, 918 (6th Cir. 2003) (painting of golfer Tiger Woods included two caddies and “a veritable pantheon of golf’s greats”).

pieces” included in protected product line), *with Elements/Jill Schwartz, Inc. v. Gloriosa Co.*, 2002 WL 1492197, at *6 (S.D.N.Y. July 15, 2002) (pervasive “variability in arrangement and configuration of the trade dress elements” was more than “minor”)¹⁹

The only HUMVEE® vehicles at issue here are those in the two groups Activision copied. RSUF ¶ 93-97. Both groups share the distinctive elements of the HUMVEE® Trade Dress, such as the overall shape, the seven-oval grille, the blackout headlight, the “X-design” doors, and the side-mirror attachments. *Id.* The difference is that one has a slanted back, while the other has an open-top without a slanted back. *Id.* Both are recognizable as HUMVEE® vehicles. *Id.* If there are any doubts about whether those models have an “overall consistent look” or that the differences are “minor,” they must be resolved at trial. *See Fibermark, Inc. v. Brownville Specialty Paper Prod., Inc.*, 2005 WL 1173562, at *5 (N.D.N.Y. May 11, 2005) (denying motion where “a reasonable trier of fact could conclude that there is an overall, consistent look (albeit, not identical”).

Activision also isolates one trade dress element, the “X-design” on the door, and attempts to attach legal significance to the fact that AM General made some models without it. Br. 33-34. That falls into the category of a minor variation. As shown on the images, its absence does not render the HUMVEE® Trade Dress any less recognizable where other elements, such as the overall shape and the grille, are more prominent. RSUF ¶ 93-97. None of this comes close to the type of “extreme” variation seen in the decisions Activision cites. *See e.g., Walt Disney Co.*

¹⁹ Activision overstates the “concern for protecting competition,” Br. 33, which is implicated where the plaintiff’s asserts the same trade dress protection across products in disparate categories that embody different looks. *E.g., Yurman Design Inc. v. PAJ, Inc.*, 262 F.3d 101, 114, 116 (2d Cir. 2001) (plaintiff claimed that “eight rings, seven bracelets, and three pairs of earrings” embodied same trade dress); *Landscape Forms, Inc. v. Columbia Cascade Co.*, 113 F.3d 373, 375, 380 (2d Cir. 1997) (plaintiff claimed its trash cans and benches bore same trade dress). The different HUMVEE® models have nothing like the variations in those cases. Nor is AM General seeking here to monopolize the appearance of all light military transport vehicles.

v. Goodtimes Home Video Corp., 830 F. Supp. 762, 765 (S.D.N.Y. 1993) (the “dominant component[]” of the packaging was different for each product).

B. Activision’s Arguments Concerning Secondary Meaning Are Wrong On The Law And Raise Triable Fact Issues.

As a preliminary matter, AM General is entitled to a presumption of secondary meaning for its registered trademarks or trade dress. *Arrow Fastener Co. v. Stanley Works*, 59 F.3d 384, 393 (2d Cir. 1995) (registration “creates a rebuttable presumption that the mark enjoys secondary meaning”). Nor is secondary meaning required for AM General’s claims under New York common law, where, as here, the defendant engaged in “palming off, actual deception, appropriation of the plaintiff’s property, or deliberate copying of a trade dress.” *Laureyssens v. Idea Group, Inc.*, 964 F.2d 131, 139, 22 U.S.P.Q.2d 1811, 1818 (2d Cir. 1992); *see also, Cartier, Inc. v. Four Star Jewelry Creations, Inc.*, 348 F. Supp. 2d 217, 251 (S.D.N.Y. 2004).

The rest of Activision’s argument rests on a false premise—that AM General must prove consumers identify the HUMVEE® vehicles “with AMG” or “sourced by AMG.” Br. at 34. Trade dress acquires secondary meaning where it is “closely associated” with “a single, though possibly anonymous source.” *See Christian Louboutin S.A. v. Yves Saint Laurent Am. Holdings, Inc.*, 696 F.3d 206, 226-27 (2d Cir. 2012); *accord PAF S.r.l. v. Lisa Lighting Co.*, 712 F. Supp. 394, 402 (S.D.N.Y. 1989). Thus, it is not necessary for consumers to recognize HUMVEE® vehicles as originating from AM General or to associate them with AM General; it is sufficient that, on sight, they recognize them as a single type of branded vehicle. *E.g., id.; see also Schutte Bagclosures Inc. v. Kwik Lok Corp.*, 48 F. Supp. 3d 675, 699 (S.D.N.Y. 2014) (finding a triable issue where plaintiff made its product unique in the minds of” a “knowledgeable group of specialized wholesale buyers”). Further, a plaintiff “need only show that a substantial segment of the relevant consumer group makes this connection”—not “all consumers.” *Coach*

Leatherware Co. v. AnnTaylor, Inc., 933 F.2d 162, 168 (2d Cir. 1991). And under this proper legal standard, Activision’s argument fails. It cannot argue that the HUMVEE® IP is culturally ubiquitous and significant, while maintaining that the public is incapable of associating the vehicle’s iconic design with a single, if anonymous, source.

It should be beyond dispute—in AM General’s favor—that a substantial segment of consumers and of the public at large associate the HUMVEE® IP with a single brand and a single source. *E.g.*, *Lanard*, 468 F.3d at 410, 418-20 (recognizing validity of HUMVEE® trade dress); *DaimlerChrysler*, 311 F.3d at 821, 830 (HUMVEE® vehicles “gained considerable renown— “‘fame’ in the everyday sense,” and “the Humvee’s front end ... has developed its own secondary meaning”); *see also Urban Gorilla, LLC*, 2010 WL 5395065, at *1. (HUMVEE® vehicles “gained national attention”); CSUF ¶¶ 12-33.²⁰ But even if not, the record here establishes sufficient evidence to reach a jury. *See, e.g., Gross v. Bare Escentuals Beauty, Inc.*, 632 F. Supp. 2d 283, 291 (S.D.N.Y. 2008) (“[D]etermining secondary meaning is a fact-intensive inquiry that is generally avoided at the summary judgment phase.”); *Penguin Books USA v. New Christian Church of Full Endeavor, Ltd.*, 2000 WL 1028634, at *21 (S.D.N.Y. 2000) (denying motion where the “evidence [submitted] is not sufficient in and of itself to establish secondary meaning, [but] does establish an issue of material fact.”).

“Evidence sufficient to establish secondary meaning may include evidence of sales success, substantial advertising expenditures, media coverage, third-party requests to license the use of a design, and deliberate attempts to imitate a trade dress design.” *Inverness Corp. v.*

²⁰ Activision claims that AM General receives a presumption from only the 2016 registration. Br. 32, n. 25. Even if true, the PTO found secondary meaning when it approved GM’s 2003 and 2005 registrations for the trade dress, which is entitled to deference. *See* RSUF ¶ 35; *see Jalpa Recycling v. Crosby*, 2016 U.S. Dist. LEXIS 37953, at *14-15 n.5 (S.D.N.Y. Mar. 23, 2016).

Whitehall Labs., 678 F. Supp. 436, 439 (S.D.N.Y. 1987); *see also Louboutin*, 696 F.3d at 226.

The record has robust evidence of each factor.

Substantial sales. AM General has sold more than [REDACTED] HUMVEE® vehicles to the U.S. military and [REDACTED] in all, and its U.S. sales [REDACTED]. CSUF ¶¶ 3, 18.

Media coverage. The HUMVEE® Trade Dress has received a staggering amount of coverage in print, television, and other media. *Id.* ¶¶ 6-7, 13-17. Activision even admits that the HUMVEE® vehicle has been featured in popular media. Br. 1. *See Fisher-Price, Inc. v. Well-Made Toy Mfg. Corp.*, 1993 U.S. Dist. LEXIS 19560, *6 (W.D.N.Y. Feb. 11, 1993) (secondary meaning in trade dress established through “unsolicited coverage of [the] product in trade publications” as well as “highly successful” sales and “substantial sum” spent on advertising).

Substantial advertising expenditures. Since just 1999, AM General has also spent more than [REDACTED] on HUMVEE® marketing, including print media and appearances at trade shows. CSUF ¶¶ 19-23. Activision argues that this expenditure is “extremely limited,” Br. 35, n.27, but courts have found a fraction of that amount to be sufficient. *E.g., George Basch Co. v. Blue Coral, Inc.*, 968 F.2d 1532, 1536 (2d Cir. 1992) (\$7 million in sales and \$75,000 spent on advertising over four year period raised triable issue); *SGC Communication Resources, LLC v. Seminar Center, Inc.*, 2001 WL 274053, *7-8 (S.D.N.Y. 2001) (\$6-7 million in annual revenues, attention from national press outlets, and longtime use raised triable issue). And, as Activision admits, the Army has promoted the HUMVEE® vehicle extensively. Br. 7.

Third-party licensing. AM General has repeatedly licensed the HUMVEE® IP, including for video games. CSUF ¶¶ 26-33; *see LeSportsac, Inc. v. K mart Corp.*, 754 F.2d 71, 78 (2d Cir. 1985) (requests to license are evidence of secondary meaning); *Inverness*, 678 F. Supp. at 439 (even a single request is significant).

Deliberate attempts to imitate a trade dress design. Activision’s intentional copying, CSUF ¶¶ 58-161, is strong and sufficient evidence of secondary meaning. *Diesel S.P.A. v. Doe*, 2016 WL 96171, at *4 (S.D.N.Y.) (“Indeed, Defendants’ deliberate copying of Plaintiff’s marks provides circumstantial evidence of the strength of those marks and the high degree of recognition and good will they have with consumers.”).

Moreover, an expert survey found “wide recognition” of the HUMVEE® vehicle and its distinctive shape, which is further evidence of secondary meaning. *Audemars Piguet Holding S.A. v. Swiss Watch Int’l, Inc.*, 46 F. Supp. 3d 255, 277 (S.D.N.Y. 2014), *rev’d in part on other grounds*, 2015 WL 150756 (S.D.N.Y. Jan. 12, 2015).²¹

C. Activision’s Functionality Arguments Are Wrong And Raise Triable Issues.

Activision has not met its burden of proving AM General’s trade dress is indisputably functional. Activision bears the burden on this issue, not just as the moving party, but also because AM General’s trade dress is registered. CSUF ¶ 11. Registration entitles the trade dress to a presumption of validity, including as to non-functionality—unlike with unregistered trade dress, 15 U.S.C. §§ 1115(a), 1125(a)(3). The PTO’s finding of non-functionality, CSUF ¶ 36, is entitled to “great deference.” *Murphy Door Bed Co. v. Interior Sleep Sys. Inc.*, 874 F.2d 95, 101 (2d Cir. 1989). Activision’s single paragraph devoted to functionality (Br. at 36-37) identifies no factual or legal reason to reach a contrary decision as a matter of law.

Significantly, this Court is not the first to address the issue. In 2006—years after *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23, (2001), on which Activision heavily relies—the Sixth Circuit affirmed that the HUMVEE® trade dress is valid and nonfunctional, as a matter

²¹ Activision claims that [REDACTED]

of law, on the same evidence before this Court. *Lanard*, 468 F.3d at 416-17 (affirming summary judgment against infringer). As it recognized, “the plain appearance of the vehicle shows that the elements which comprise its trade dress are inherently non-functional.” *Id.* at 417. The court rejected the same argument Activision makes, Br. 36, *i.e.*, that the government’s performance specifications render the design purely functional. *Lanard*, 468 F.3d at 416-17. It is just as true now as it was in 2006, those specifications did not “address the exterior appearance or the styling of the vehicle.” 468 F.3d at 416; *accord* CSUF ¶¶ 37-40. Notably, the Sixth Circuit’s 2006 decision was before AM General obtained its federal trade dress registration, CSUF ¶ 11, and the presumption of validity and non-functionality that comes with it.

Against this robust record of non-functionality, Activision offers no expert evidence of functionality, no evidence of a lack of alternative designs, and no facts concerning the cost of manufacturing. It simply claims that elements of the trade dress have “a very obvious functional purpose” or are “born from functional specifications....” Br. 36. But the “fact that a design feature performs a function does not make it essential to the performance of that function; it is instead the absence of alternative constructions performing the same function that renders the feature functional.” *Brandir Int’l, Inc. v. Cascade Pac. Lumber Co.*, 834 F.2d 1142, 1148 (2d Cir. 1987). “Thus, the true test of functionality is not whether the feature in question performs a function, but whether the feature ‘is dictated by the functions to be performed, as evidenced by available alternative constructions.’” *Id.*; *see also Cartier, Inc. v. Sardell Jewelry, Inc.*, 294 F.App’x 615, 620-21 (2d Cir. 2008) (although the plaintiff’s design “does operate to perform a function, the trade dress is not ‘functional’ because there are many alternative designs that could perform the same function [and] [e]nforcing [plaintiff’s] rights in this design will not inhibit its

competitors from being able to compete effectively in the market”).²²

The final undermining of Activision’s functionality argument comes from comparing the designs AM General’s [REDACTED]

[REDACTED] That tells the jury that the shape AM General chose was not integral to its function, particularly for purposes of trademark law, *i.e.*, to avoid putting competitors at “a significant non-reputation related disadvantage.” *TrafFix Devices*, 532 U.S. at 28.

As to the remaining elements, the parties dispute whether they are “essential to the use or purpose,” or “affect the cost or quality,” of the vehicle. *Id.* at 33; *see* Br. 36-37; RSUF ¶¶ 100-13. As a substitute for such evidence, Activision notes that some AM General marketing materials touted some of HUMVEE® functions. Br. 37. But that is not enough evidence to conclude as a matter of law that the vehicle’s exterior design is dictated by function.²³ Activision’s remaining points, Br. 37, err in attempting to “break the trade dress down into specific elements and call them functional.” *Cartier, Inc.*, 294 F. App’x at 620-21. Where “the asserted trade dress extends to the ‘overall look’ of the combination of features comprising a product, the court must evaluate the functionality of those features taken together.” *Carson Optical, Inc. v. Prym Consumer USA, Inc.*, 11 F. Supp. 3d 317, 341 (E.D.N.Y. 2014) (citing *Jeffrey Milstein, Inc. v. Greger, Lawlor, Roth, Inc.*, 58 F.3d 27, 32 (2d Cir. 1995)). This is an issue for the jury to resolve at trial.

²² Courts in the Second Circuit continue to consider alternative designs after *TrafFix*. *See Schutte*, 193 F. Supp. 3d at 271 n.8 (“nothing in *TrafFix* appears to prohibit considering design alternatives”); *see also Eliya, Inc. v. Steven Madden, Ltd.*, 749 F. App’x 43, 47 (2d Cir. 2018) (considering alternative designs after *TrafFix*).

²³ Activision has no basis to rely on *Schutte*, for it applied an outdated test. *See* 193 F. Supp. 3d at 268. Also, the decision came only after trial and resolution of conflicting evidence.

Even if the HUMVEE® Trade Dress components are functional in the real world, the same cannot be said of the virtual HUMVEE® vehicles in video games or toys. The HUMVEE® vehicles in the *Call of Duty* Games would “function” in the fictitious world of video games with or without the HUMVEE® Trade Dress elements, or any other attributes of such vehicles, including round tires or working engines. CSUF ¶ 42. Thus, protecting the HUMVEE® Trade Dress here poses no competitive harm to Activision because, in those contexts, the HUMVEE® Trade Dress features are exclusively ornamental. *See e.g. Warner Bros, Inc. v. Gay Toys, Inc.*, 724 F.2d 327, 332 (2d Cir. 1983) (toy car features merely “enable consumers, especially children, to identify a toy car”).

III. PLAINTIFF’S DILUTION CLAIM IS NOT BARRED AS A MATTER OF LAW.

AM General’s dilution claim survives the “noncommercial use” exception because Activision’s marketing and merchandise are not “noncommercial” speech. *Louis Vuitton Malletier, S.A. v. Hyundai Motor Am.*, 2012 WL 1022247, at *20 (S.D.N.Y. Mar. 22, 2012) (commercials “for purpose of advertising” actionable under dilution statute); *Diesel*, 2016 WL 96171, at *6–7 (uses “in connection with the sale of goods” are commercial uses).

The video games likewise remain actionable because they are, at best, a “hybrid of expressive performance and advertisement.” *World Championship Wrestling v. Titan Sports, Inc.*, 46 F. Supp. 2d 118, 123 (D. Conn. 1999) (finding televised scripted wrestling show raised factual questions as to whether speech was commercial). Activision again relies on inapplicable Ninth Circuit authority that requires a work to be “purely commercial,” and does not apply the facts to the correct legal test. *See* Br. 37. Whether speech that “combine[s] commercial and noncommercial elements” is to be “treated as commercial speech depends on factors such as whether the communication is an advertisement, whether the communication makes reference to a specific product, and whether the speaker has an economic motivation for the communication.”

World Championship Wrestling, 46 F. Supp. 2d at 123 (citing *Bad Frog Brewery, Inc. v. New York State Liquor Authority*, 134 F.3d 87, 97 (2d Cir. 1998)); *see also Au New Haven, LLC v. YKK Corp.*, 2019 WL 1437516, at *19, n. 176 (S.D.N.Y. Mar. 31, 2019) (“disputed material facts ... preclude summary judgment”). Here, Activision has a multi-billion dollar economic motivation, used the infringing games to sell content from within the games, and referenced a specific product, the HUMVEE® vehicle. Kitchen Decl. ¶ 29. As in *Titan Sports*, Activision did this “in the hopes of attracting [customers].” 46 F. Supp. 2d 118, 123. This raises a triable issue as to whether the games are noncommercial.

Activision likewise fails to show the absence of triable issues as to whether the HUMVEE® IP is “famous” under the federal law or “extremely strong” under the state law. The same evidence that supports secondary meaning, *see* Section II(B), demonstrates that “HUMVEE®” is a household name and the trade dress is “widely recognized among the general consuming public.” *See* 15 U.S.C. § 1125(c)(2)(A); *Savin Corp. v. Savin Grp.*, 391 F.3d 439, 450 (2d Cir. 2004) (“‘more than a mere scintilla of evidence’ of fame, ... is a sufficient quantum of proof to submit the question to the” jury). As Activision admits, the state claims require a showing of only secondary meaning to be “extremely strong.” *See* Br. 38 (citing *Mead*).

As to blurring, Activision’s defense—that other video games used the HUMVEE® IP—fails for the same reason that it fails as to the strength of AM General’s marks, discussed in Section I(D)(1). Also, Activision cites no evidence of any third-party video games using HUMVEE® IP in promotional trailers and merchandise. While Activision claims it does not use the HUMVEE® IP to “identify Activision’s goods,” the evidence is otherwise, including in trailers. *See e.g.*, CSUF ¶¶ 88-98; *see also id.* ¶ 99 (Ex. 131, applying *Call of Duty* logo to real-life HUMVEE® vehicle at live event). Accordingly, there are triable issues on the claim.

IV. ACTIVISION CANNOT USE ITS ATTACKS ON PLAINTIFF'S FEDERAL CLAIMS TO BOOTSTRAP A WIN ON THE STATE CLAIMS.

For the same reasons Activision's motion fails as to claims for infringement and dilution under the Lanham Act, so too must its motion as to claims under state law. *Mr. Water Heater Enters. v. 1-800-Hot Water Heater, LLC*, 648 F. Supp. 2d 576, 589 (S.D.N.Y. 2009) (Plaintiff needs only "to present evidence sufficient to establish a violation of section 32(1)").²⁴

V. PLAINTIFF IS ENTITLED TO RECOVER DAMAGES AND PROFITS.

Activision repeats its arguments on confusion and willfulness to argue that damages are not available. Br. 39. Although willfulness alone will suffice, *Merck Eprova AG v. Gnosis S.p.A.*, 760 F.3d 247, 261 (2d Cir. 2014), AM General has presented evidence of both.²⁵

CONCLUSION

For the foregoing reasons, the Court should deny Activision's motion.

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Respectfully submitted,

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²⁴ Activision addresses AM General's false advertising claim only in a footnote, Br. 39, n.28, claiming that it never made a false statement about its authority to use the HUMVEE® IP. But as noted above, Activision falsely stated in its user guides that it either owned or licensed that property. *E.g., Optigen, LLC v. Int'l Genetics, Inc.*, 777 F. Supp. 2d 390, 405-06 (N.D.N.Y. 2011). Because those statements are literally false, confusion is presumed. *Time Warner Cable, Inc. v. DIRECTV, Inc.*, 497 F.3d 144, 153 (2d Cir. 2007).

²⁵ The Second Circuit has not resolved whether a plaintiff must still show willfulness to recover profits after the 1999 Lanham Act amendment. *See Fendi Adele, S.R.L. v. Ashley Reed Trading, Inc.*, 507 F. App'x 26, 30-31 (2d Cir. 2013) (declining to consider the requirement's applicability because there was "willful blindness"). Some courts have held that it is no longer required. *See id.* (citing *Banjo Buddies, Inc. v. Renosky*, 399 F.3d 168, 175 (3d Cir. 2005)).